MINUTES OF THE JOINT MEETING OF THE LA PORTE REDEVELOPMENT AUTHORITY and LA PORTE TAX INCREMENT REINVESTMENT ZONE BOARD OF DIRECTORS

November 7, 2018

DETERMINE QUORUM; CALL TO ORDER.

The Board of Directors of the La Porte Redevelopment Authority, City of La Porte, Texas, and La Porte Tax Increment Reinvestment Zone, held a regular joint meeting, open to the public, on Wednesday, November 7, 2018, at 6:30 p.m., in the Council Chambers of City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the roll was called of the duly appointed members of the Board, to-wit:

Peggy Antone, Secretary	Position 1	JJ Meza	Position 6
Barry Beasley	Position 2	Chester Pool, Vice-Chair	Position 7
Alton Porter	Position 3	David Janda	Position 8
Horace Leopard	Position 4	Vacant	Position 9
Doug Martin, Chairman	Position 5		

and all of the above were present, with the exception of Director Meza, thus constituting a quorum. Also present were David Hawes and Linda Clayton, both of Hawes Hill & Associates, LLP; Mark B. Arnold, Hunton Andrews Kurth, LLP; Jason Weeks, City of La Porte; Virginia Blake, McCall Gibson Swedlund Barfoot PLLC.; and Patrick Duggan, Jabez-La Porte, LP. Chairman Martin called the meeting to order at 6:31 p.m.

APPROVE MINUTES OF THE JOINT LA PORTE REDEVELOPMENT AUTHORITY AND LA PORTE TAX INCREMENT REINVESTMENT ZONE MEETING HELD ON JULY 11, 2018.

Upon a motion duly made by Director Porter, and being seconded by Director Pool, the Board voted unanimously to approve the Minutes of the July 11, 2018, Joint La Porte Redevelopment Authority and La Porte Tax Increment Reinvestment Zone board meeting, as presented.

RECEIVE AND APPROVE FY2018 ANNUAL FINANCIAL REPORT AND AUDIT FROM McCALL GIBSON SWEDLUND BARFOOT PLLC.

Ms. Blake presented the FY2018 Annual Financial Report and Audit, included in the Board materials. She reviewed the Independent Auditor's Report and reported an unmodified/clean opinion. She went over pages 3-4, Management's Discussion and Analysis; page 8, Statement of Net Position and Governmental Funds Balance Sheet; page 9, Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position; page 10, Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances; page 11, Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities; pages 12-21, Notes to the Financial Statements; and page 23, Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General Fund. Upon a motion duly made by Director Pool, and being seconded by Director Janda, the Board voted unanimously to approve the FY2018 Annual Financial Report and Audit, as presented.

CONSIDER DEVELOPMENT AGREEMENT BY AND BETWEEN REINVESTMENT ZONE NUMBER ONE, CITY OF LA PORTE, TEXAS AND LA PORTE REDEVELOPMENT AUTHORITY AND JABEZ-LA PORTE, LP.

Mr. Hawes distributed an analysis and overview of the residential development, a copy is attached as Exhibit A. He reported the development is approximately 20 acres comprising of 80 lots with an average home value of \$250,000. He reported the development is expected to be built out by 2021. Mr. Arnold reviewed the costs and estimated reimbursements. After full review and discussion by the Board, and upon a motion duly made by Director Leopard, and being seconded by Director Beasley, the Board voted unanimously to approve the Development Agreement with Jabez-La Porte, LP.

CONSIDER TAX YEAR 2017 DEVELOPER DISBURSEMENTS; AND CONSIDER APPROVAL OR OTHER ACTION REGARDING AUTHORITY INVOICES, INCLUDING CONTRACTUAL OBLIGATIONS TO REIMBURSE LA PORTE ISD.

Mr. Hawes reviewed the spreadsheet for developer reimbursements, included in the Board materials. Upon a motion duly made by Director Porter, and being seconded by Director Beasley, the Board voted unanimously to approve developer disbursements to (1) Retreat at Bay Forest in the amount of \$29,662.30; (2) Beazer Homes in the amount of \$118,814.44; and (3) Liberty Property Limited Partnership in the amount of \$1,957,711.28; and approved reimbursement payment to La Porte ISD in the amount of \$454,521.00.

RECEIVE AND CONSIDER FY2019 BUDGET.

Mr. Hawes reviewed the proposed FY2019 Budget, included in the Board materials. After full review and discussion, and upon a motion duly made by Director Beasley, and being seconded by Director Janda, the Board voted unanimously to approve the FY2019 Budget, as presented.

CONSIDER APPROVAL OR OTHER ACTION REGARDING AUTHORITY INVOICES.

Mr. Hawes presented the Bookkeeper's Report and went over invoices, included in the Board materials. Upon a motion duly made by Director Antone, and being seconded by Director Porter, the Board voted unanimously to accept the Bookkeeper's Report and approved payment of invoices, as presented.

RECEIVE UPDATES FROM THE CITY, DEVELOPERS AND STAFF ABOUT DEVELOPMENT WITHIN THE ZONE.

BOARD MEMBER COMMENTS.

- a. Matters appearing on agenda
- b. Inquiry of staff regarding specific factual information or existing policy.

There were no further discussions.

ADJOURNMENT.

There being no further business to come before the Board, Chairman Martin adjourned the meeting at $6.56\ p.m.$

Secretar

List of Exhibits:

A. Analysis of Jabez-La Porte, LP development

La Porte TIRZ #1

Proposed Residential Development, Fairmont Lakes North

A new development is being proposed within the TIRZ 1 boundary, and Developers of the project are looking for reimbursement of public improvement costs associated with the development.

The proposed development is a residential subdivision located east of SH146, adjacent to the golf course, as shown in **Figure 1**. The development is approximately 20 acres and includes 80 lots with an average home value of \$250,000. Build out of the subdivision is anticipated to occur by Year 2021.

Taxable Value & Revenues

Taxable value of the project is anticipated to equal \$15.8 million at build out, in the Year 2021, and is expected to increase to approximately \$17.8 million by the Year 2029. Over the life of the TIRZ, revenues generated from this development are anticipated to equal to approximately \$1.8 million as shown in **Exhibit 1**. Projected revenues include both City and ISD participation.

Project Costs

Infrastructure costs the developer is seeking reimbursement for include detention, sanitary, storm, water and paving. A summary of public infrastructure costs is shown in Table 1.

	Cost
Detention	\$278,402
Sanitary	\$218,448
Storm	\$286,520
Water	\$111,964
Paving	\$652,154
SWPPP	\$14,715
Total	\$1,562,203
Contingencies	\$156,220
Engineering	\$234,330
Grand Total	\$1,952,754

Recommendation

Based on the revenue analysis prepared for this project, the developer could be reimbursed for the public improvements over time, as increment from the development is generated.

EXHIBIT 1
LA PORTE TIRZ 1 Fairmont Lakes North (Residential Development)
Projected Assessed Valuations and Tax Increment

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	Total	Cumulative	Valuation		1	7,904,000	15,808,000	16,048,000	16,291,600	16,538,854	16,789,817	17,044,544	17,303,092	17,565,519	17,831,881
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	City	Exemption	Amount			(96,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)
8						s.	45	s	s	s	s	\$	₩.	s	s
Over 65	Number of	Eligible	Homes			1.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
,	Residential	Homestead	Exemption (20%)			(2,000,000)	(4,000,000)	(4,060,000)	(4,120,900)	(4,182,714)	(4,245,454)	(4,309,136)	(4,373,773)	(4,439,380)	(4,505,970)
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	Cumulative	No	Homes			40	80	80	08	80	8	8	8	80	80
	No	Homes	Added		0	40	40								
	Cumulative	Residential	Valuation		60	10,000,000	20,000,000	20,300,000	20,604,500	20,913,568	21,227,271	21,545,680	21,868,865	22,196,898	22,529,852
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Incremental	Assessed	Residential	Valuation		. \$	\$ 10,000,000	\$ 10,000,000								
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5029	s	22,529,852	80	ψ.	(4,505,970)	3.2 \$	3.2 \$ (192,000) \$ 17,	17,
Note:	Refl	Reflects 1.5% annual appreciation once buildout is complete	once bu	ildout i	s complete			
	Aver	Average Home Value of \$250,000						

								SD						Total
							_	Tax Rate				Total	<u>ر</u>	Cumulative
	Тах	8		City	0	City TIRZ	ш.	For TIRZ	<u>S</u>	ISD TIRZ	II.	IIRZ Revenues	Ė	Tax Revenue
_	Year	Year		Tax Rate	Par	Participation	<u>.</u>	Projects	Pari	Participation	*	Available	`	Available
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2	2019	2020	Ŷ	0.7100	s	•	v	0.43	٠,	•	s	٠	ŧ٨	•
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4	2021	2022	÷	0.7100	4s	109,992	s	0.43	s	66,615	43-	176,607	40-	264,910
'n	2022	2023	ŧ/s	0.7100	4∧-	111,662	\$	0.43	ş	929'29	s	179,288	÷	444,199
9	2023	2024	₩	0.7100	s	113,357	\$	0.43	s	68,653	s	182,010	₩.	626,208
7	2024	2025	s	0.7100	s	115,077	٠,	0.43	47٠	69,695	s	184,772	€5-	810,981
00	2025	2026	s	0.7100	s	116,824	45	0.43	٠,	70,752	÷	187,576	٠n	998,556
6	2026	2027	ş	0.7100	s	118,596	45	0.43	÷	71,826	'n	190,422	'n	1,188,978
9	2027	2028	ss	0.7100	v,	120,395	s	0.43	s	72,915	Ś	193,310	s	1,382,288
되	2028	2029	₩	0.7100	s	122,221	ş	0.43	٠٨.	74,021	·v	196,242	v	1,578,530
12	2029	2030	Ś	0.7100	ş	124,074	₩	0.43	ŧ٨	75,144	Ś	199,218	s	1,777,748
					w	1,107,194			s	670,554	s	1.777.748		



a schematic development plan for

20 AC. LA PORTE TRACT ±20.0 ACRES OF LAND

HISTORYMAKERS



AUGUST 30, 2018 KQA # 1-499

LOT SUMMARY

40' x 120' 82 100%

82 TOTAL LOTS

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